

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of)
) MURs 5230, 5231, 5232, 5234
 Connecticut Reform Party Designation)
 Committee and William F. Farren, as treasurer¹)

GENERAL COUNSEL'S REPORT # 2**I. ACTIONS RECOMMENDED**

Take no further action against the Respondents, administratively terminate the Committee, and close the file.

II. INTRODUCTION

On February 6, 2003, the Commission found reason to believe the Connecticut Reform Party Designation Committee and William F. Farren, as treasurer, violated 2 U.S.C. §§ 434(a)(4)(A)(i), (iii) and (iv) in connection with the failure to timely file the 2000 April and July Quarterly Reports and the failure to file subsequent reports thereafter, including the 2000 October Quarterly, 2000 Year-End, 2000 30-Day Post-General, and 2001 Mid-Year and Year-End Reports. The Commission offered to enter into pre-probable cause conciliation with Respondents.

Respondents responded to the Commission's reason-to-believe findings by letters dated March 21, 2003 and April 10, 2003. *See* Attachments 1 and 2, respectively.² On June 4, 2003, following several communications with the Chairman of the Committee, Donna Donovan, this Office received copies of the Committee's financial reports filed with the Connecticut Secretary

¹ Mr. Farren is the treasurer named in the Committee's Statement of Organization on file with the FEC, and he was treasurer when the Committee filed its last two reports with the FEC. During pre-probable cause conciliation, this Office learned that the Committee currently has no treasurer at the federal level. Mr. Farren, the last treasurer on record with the FEC, resigned as treasurer more than two years ago. *See* Attachment 1.

² The Attachments to the April 10, 2003 submission are available in the Central Enforcement Docket.

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of State, Elections Division. See Attachment 4. On August 13, 2003 this Office received the attached sworn affidavit from the Ms. Donovan.³ See Attachment 3. The Chairman's affidavit and the Committee's state Elections Division's financial reports provide mitigating circumstances warranting an end to pre-probable cause conciliation efforts. For the reasons discussed below, this Office recommends that the Commission take no further action against Respondents, administratively terminate the Committee, and close the file.

III. DISCUSSION

The Committee has not disputed that it filed the 2000 April and July Quarterly Reports late. However, the Committee has advised that it believed it had no obligation to file any subsequent reports, beginning with its 2000 October Quarterly Report.

According to the affidavit of the Committee's Chairman, Donna Donovan, the Committee has not been active at the federal level since August 2000, when the Reform Party of the United States of America refused to recognize the Committee's delegates at the national party's Presidential Nominating Convention. See Donovan Affidavit, Attachment 3, paragraphs 5, 6 and 7. "Thus, the Connecticut state party organization was effectively disenfranchised and disaffiliated from the national party, and excluded from its activities, including national

³ The protracted delay in obtaining responsive materials during the pre-probable cause conciliation period was due to several factors. This Office mailed the complaint to the Respondents' last address on record with the FEC, which was a post office box in Cromwell, Connecticut. The Respondents did not file a response to the complaint. See First General Counsel's Report, at page 2. On February 19, 2003, the Commission's notification of its reason to believe finding was mailed to the Committee's post office box. On March 10, 2003, a follow-up letter was mailed to the Committee's post office box, and a copy was sent to the home address of the last treasurer cited in the Committee's disclosure reports, William F. Farren. By letter dated March 21, 2003, Mr. Farren stated that the post office box was no longer in use, and that the March 10, 2003 letter at his home address was the first notification he had that there was a complaint pending. See Attachment 1. He also stated that he was no longer the Committee's treasurer, and referred the matter to the Committee's Chairman, Donna Donovan. Thereafter, Ms. Donovan received an extension of time to respond to the Commission's reason to believe finding since she also did not learn of this matter until notified by the former treasurer. After receiving an initial response, this Office requested additional documentation from Ms. Donovan. She represented that she was the only person still affiliated with the Committee, and therefore she could not delegate obtaining the requested documents to anyone else. Meanwhile, her husband was hospitalized and other personal circumstances prevented her from responding in a timely fashion.

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1 elections, from that time forward." *See id.*, paragraph 6. Her affidavit further states that the
2 Chairman of the national party showed her a letter that he said he filed with the FEC and the
3 Connecticut Secretary of State Elections Division stating that the Committee was no longer
4 affiliated with the National Party.⁴ *See id.*, paragraph 7. She states that the Committee therefore
5 believed that the FEC was officially notified of its change in status, and did not believe that it
6 was still required to file financial reports with the FEC. *See id.*, paragraphs 5, 7 and 8.
7 According to Ms. Donovan, since August 2000, the Committee has only been active at the state
8 level, and has not made any contributions or expenditures in connection with a federal election
9 since its disenfranchisement from the national party organization. *See id.*, paragraph 8.

10 Although the Commission's regulations provide that a political committee must continue
11 to file reports until it files a termination report stating that it will no longer receive contributions
12 or make disbursements, that there are no outstanding debts or obligations and the purpose for
13 which residual funds will be used, 2 U.S.C. § 433(d)(1) and 11 C.F.R. § 102.3, the Committee
14 mistakenly thought that the Commission had been notified of its disaffiliation with the Reform

⁴ After an extensive search, this Office could not find any such letter on file with the FEC, and Ms. Donovan averred that she did not retain a copy of the letter reportedly sent to the FEC. Ms. Donovan did, however, produce two letters addressed to the Connecticut Secretary of State that corroborate Ms. Donovan's assertion that the Reform Party of the United States of America disaffiliated the Reform Party of Connecticut, and support her assertion that she believed the FEC had been similarly notified. Those letters, dated August 5, 2001 and September 27, 2001 state, in pertinent part:

By vote of the delegates of the 2001 National RPUSA Convention, the entity known as "The Reform Party of Connecticut" chaired by Donna Donovan had their [sic] "Official Recognition" or affiliation removed by the National Party.

In as much as the Reform Party of the United States of America, a nationally recognized political party organized under the guidelines of various Federal Statutes, found it necessary to disaffiliate the Reform Party of Connecticut chaired by Donna Donovan for violations of the RPUSA Constitution and other egregious behaviour [sic], the resulting effect served to also disaffiliate all Reform Party members.

1 Party of the United States of America, and that this notification relieved it of its filing obligations
2 with the Commission as long as it engaged in no federal activity. As noted, the Committee
3 produced its reports with the Connecticut Secretary of State Elections Division for the relevant
4 time-period, and they show no federal activity. See Attachment 4. In fact, the Committee's last
5 state disclosure filing covering the period of January 1 through March 31, 2003, shows it had no
6 receipts or disbursements or other activity of any kind. See *id.* The Chairman states in her
7 affidavit that the Committee intends to dissolve at the first opportunity.⁵ See Attachment 3,
8 paragraph 12.

9 Under the circumstances set forth above, this Office recommends that the Commission,
10 on its own initiative, administratively terminate the Committee's reporting obligation. 11 C.F.R.
11 § 102.4 provides that it may do so based on the following factors:

- 12 • The committee's aggregate reported financial activity in one year is less than
13 \$5000;
- 14 • The committee's last report disclosed minimal expenditures;
- 15 • The committee's primary purpose for filing its reports has been to disclose
16 outstanding debts and obligations;
- 17 • The committee has failed to file reports for the previous year;
- 18 • The committee's last report disclosed that the committee's outstanding debts and
19 obligations do not appear to present a possible violation of the prohibitions and
20 limitations of 11 C.F.R. parts 110 and 114;

⁵ During pre-probable cause conciliation, this Office advised the Committee's Chairman that the Committee is not permitted to terminate pending the resolution of this MUR.

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- The committee's last report disclosed that the committee does not have substantial outstanding accounts receivable;
- The committee's outstanding debts and obligations exceed the total of the committee's reported cash on hand balance.

These factors are satisfied here. According to the FEC disclosure reports, except for the Committee's first year of inception, 1996, the Committee's aggregated reported federal activity was less than \$5,000 from 1997-2000; its last report on file (2000 July Quarterly Report) reported \$287.30 in disbursements and \$55 in receipts; it does not have substantial outstanding accounts receivable; it does not have any outstanding debts or obligations; and it has failed to file reports for the past three years. Thus, it appears that the Committee is ripe for administrative termination.

Therefore, this Office also recommends that the Commission take no further action against the Connecticut Reform Party Designation Committee and William F. Farren, as treasurer, and close the file.

IV. RECOMMENDATIONS

1. Take no further action against the Connecticut Reform Party Designation Committee, and William F. Farren, as treasurer, in connection with this matter.
2. Administratively terminate the Connecticut Reform Party Designation Committee, Identification Number C00317362 pursuant to 11 C.F.R. § 102.4.

3. Approve the appropriate letters.
4. Close the file.

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9/2/03
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